

BOOK REVIEWS

Edwin S. Hunt, The Medieval Super-companies. A Study of the Peruzzi Company of Florence (Cambridge: Cambridge University Press, 1994. x + 291 pp. £35/\$59.95)

As the author reminds us, the great Florentine companies played an important part in the international economy from the late thirteenth to the mid-fourteenth centuries, when they collapsed. Some historians have concentrated their attention upon these companies' wide range of activities, or the innovations that they introduced in business techniques. Others have been concerned with their successful performance in the international market, or the circumstances of their fall – which the Florentine chronicler Giovanni Villani (witness and victim of the bankruptcy) ascribed to the huge loans advanced to Edward III during the opening phases of the Hundred Years War. But a thorough study of the life of any of these firms – their origin, internal structure and management – so as to set their downfall against the correct entrepreneurial background still remained to be undertaken. These are the subjects treated by the present author, who is a retired businessman and now Professor of History at the University of Cincinnati, whilst his former experience is an apposite qualification for approaching such historical themes. He has considered the Peruzzi firm, the second largest (after the Bardi) among the 'Compagnie di negozio' (as Italian scholars say) or 'super-companies' as Hunt defines them.

The first part of this book is devoted to the 'Anatomy of the medieval super-company'. Its origins lay in the domestic establishment constituted around 1280 by Filippo (d. 1303) and Arnolfo (d. 1292), sons of Amidio Peruzzi. The amalgam within the same house of two ambitious, rising and wealthy branch families was confirmed in 1283, when they formed a corporation in order to accumulate a common family property, insulated from the risks of business failure. The money-earning activity started as essentially a family concern, but the admission of outsider partners in 1292 changed the domestic undertaking into a company under the name and leadership of Filippo. Other multi-shareholder firms were successively founded from 1296, with the last being created in 1335, all named after a leading member of the Peruzzi clan and under their control. The capital rose to a maximum of 149,000 florins in the company of 1310–12 and then declined to 60,000 fls (1324–31) and 90,000 fls (1331–35). Much attention is paid here to internal organisation. In 1335 it was based on a central office in Florence, whose chairman controlled several

distinct centres established in town for major local businesses (bank, trade, cloth, etc.) and 14 foreign branches headed by partners or factors (from Tunis to England; from Majorca to Cyprus).

The second part of the book deals with the history of the Peruzzi companies from the prosperous years (1300–24), through the beginning of decline (1325–35) to the critical years (1335–40) and then the collapse (1340–43). Five appendices supplement the text with genealogical, statistical and critical material.

The book is based only on secondary sources – printed works. Amongst the substantial bibliography (in great part not cited in the text), the writings of A. Saporì on the Peruzzi company (and in particular his 1934 edition of their surviving account books) are largely exploited by the author, who checks Saporì's account and in some cases (mostly trifles) disputes his interpretations. The absence of direct work in Florentine archives is perhaps due to the belief that previous scholars had brought to light all the manuscript documents that exist on Peruzzi affairs, but I regard this as doubtful. Notwithstanding this approach, Hunt deserves appreciation. For the first time the life of a great Florentine company can be observed in wide perspective. With regard to the always difficult matter of determining what is essential, the author arranges his approach in a functional way to expose this core plainly and to discover the main features of actual management, so releasing the Peruzzi story from G. Villani's biased accounts.

According to Hunt's conclusions, the Peruzzi companies did not grow up through a normal process of growth. Rather, they were intentionally created with a sizeable capital in order to undertake large-scale grain trading from southern Italy to industrial cities and to supply the rulers who controlled that commodity with substantial amounts of cash. Regarding the downfall of Bardi and Peruzzi, it seems obvious that, first, the reversal of their fortunes in England was not the only reason nor even the principal factor and, second, the debts of Edward III have been greatly overestimated. Here two probable circumstances must be kept in mind. The Peruzzi company was heading towards bankruptcy long before being involved with the English crown, whereas the company's English branch continued to function after the head office in Florence ceased to exist. Another conclusion is that the resources of the super-companies, although extraordinarily large for their time, were not so huge as historians have stated. According to G. Villani, in 1343 the English king owed to the Peruzzi company 600,000 fls, but this colossal sum is incompatible with the order of magnitude of capital, profits and accounts of the company. A last and less obvious conclusion is that after the 1340s the new enterprises were only a pale imitation of early fourteenth-century super-companies. On this particular subject one can agree with the author as to the geographical widening of business, but not as regards the size of resources.